



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-06	BOARD MEETING: December 14, 2021	PROJECT NO:	PROJECT COST:
FACILITY NAME: Loyola Medicine Southwest Ambulatory Care Center	CITY: Tinley Park	Original: \$69,217,592.	
TYPE OF PROJECT: Substantive	HSA: VII		

PROJECT DESCRIPTION: The Applicants [Loyola University Health System d/b/a Loyola Medicine, Loyola University Medical Center, and Trinity Health Corporation] the construction of a two-story, 72,000 square foot, outpatient ambulatory care center in Tinley Park, Illinois at a cost of approximately \$69,217,592. Loyola Medicine Southwest Ambulatory Care Center will house approximately 50 Loyola Medicine primary care and specialty care physicians, a cancer center, an imaging center, an immediate care center, a pharmacy, and a blood draw lab. The expected completion date is June 30, 2023.

The purpose of the Illinois Health Facilities Planning Act is to establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and financial resources to adequately provide a proper service for the community; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process. (20 ILCS 3960/2)

The Certificate of Need process required under this Act is designed to restrain rising health care costs by preventing unnecessary construction or modification of health care facilities. The Board must assure that the establishment, construction, or modification of a health care facility or the acquisition of major medical equipment is consistent with the public interest and that the proposed project is consistent with the orderly and economic development or acquisition of those facilities and equipment and is in accord with the standards, criteria, or plans of need adopted and approved by the Board. Board decisions regarding the construction of health care facilities must consider capacity, quality, value, and equity.

Information received by the State Board regarding this project can be found at this address:

<https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Loyola-Medicine-Southwest-Ambulatory-Care-Center,-Tinley-Park--21-030.aspx>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants [Loyola University Health System d/b/a Loyola Medicine, Loyola University Medical Center, and Trinity Health Corporation] propose the construction of a two-story, 72,000 square foot, outpatient ambulatory care center in Tinley Park, Illinois at a cost of approximately \$69,217,592. Loyola Medicine Southwest Ambulatory Care Center will house approximately 50 Loyola Medicine primary care and specialty care physicians, a cancer center, an imaging center, an immediate care center, a pharmacy, and a blood draw lab. The expected completion date is June 30, 2023.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project is by or on behalf of a health care facility and the cost of the project exceeds the capital expenditure minimum of \$14,557,713.

PURPOSE OF THE PROJECT

- The purpose of this project is to maintain Loyola Medicine's presence in the southwestern suburbs and to continue to care for a large patient base in that service area. Currently the Applicants provide outpatient services at 1) Palos Health South Campus, Orland Park, 2) Loyola Medicine Center for Health at Orland Park, and 3) Loyola Medicine Center for Health at Homer Glen.
- According to the Applicants in 2015, Loyola Medicine began a series of collaborations with Palos Health on the expanded development of the Palos Health South Campus. Currently Loyola Medicine leases approximately 21,500 square feet of space on the Palos Health South Campus. On January 1, 2021, Northwestern Medicine became the sole member of Palos Health. According to the Applicants because of that change in ownership Loyola Medicine and Northwestern Medicine agreed to terminate Loyola Medicine's remaining lease at the Palos Health South Campus effective as of April 1, 2022 and terminate the various clinical affiliation agreements between Loyola Medicine and Palos Health. The Applicants state upon completion of the proposed project Loyola Medicine Center for Health at Orland Park will be closed and services at that site will be moved to the new Tinley Park location. The Applicants state the new Tinley Park facility will also provide access to care to current Loyola Medicine patients that reside in the service area but receive care at other Loyola Medicine sites located outside the service area. The only alternative considered by the Applicants to the proposed project was leasing space in vacant medical office spaces within the area to relocate services from the Palos Health South Campus. No medical office space of sufficient size could be located in the service area.

PUBLIC HEARING/COMMENT:

- There was no request for a public hearing, and no letters of support or opposition letters were received.

SUMMARY

The Applicants have addressed a total 15 criteria and have not met the following

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1120.140(c) – Reasonableness of Project Costs	<p>The Applicants exceeded the State Board standard for the following:</p> <ul style="list-style-type: none">• The Applicants exceeded site preparation cost by \$625,286.• The Applicants exceed the State Board Standard for new construction and contingency costs by \$4,714,280.• The Applicants exceed the State Board Standard for A and E Fees by \$233,100.



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

STATE BOARD STAFF REPORT

Project #21-030

Loyola Medicine Southwest Ambulatory Care Center

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Loyola University Health System d/b/a Loyola Medicine, Loyola University Medical Center, and Trinity Health Corporation
Facility Name	Loyola Medicine Southwest Ambulatory Care Center
Location	Southeast Corner of 179th and LaGrange Road
Permit Holder	Loyola University Health System d/b/a Loyola Medicine, Loyola University Medical Center, and Trinity Health Corporation
Operating Entity	Loyola Medicine Southwest Ambulatory Care Center
Owner of Site	Loyola University Health System d/b/a Loyola Medicine
Total GSF	71,978 GSF
Application Received	October 4, 2021
Application Deemed Substantially Complete	October 7, 2021
Review Period Ends	December 6, 2021
Financial Commitment Date	June 30, 2023
Project Completion Date	June 30, 2023
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicants [Loyola University Health System d/b/a Loyola Medicine, Loyola University Medical Center, and Trinity Health Corporation] propose the construction of a two-story, 71,978 square foot, outpatient ambulatory care center in Tinley Park, Illinois at a cost of approximately \$69,217,592. Loyola Medicine Southwest Ambulatory Care Center will house approximately 50 Loyola Medicine primary care and specialty care physicians, a cancer center, an imaging center, an immediate care center, a pharmacy, and a blood draw lab. The expected completion date is June 30, 2023.

II. Summary of Findings

- A. State Board Staff finds the proposed project is in conformance with the provisions of 77 ILAC 1110 (Part 1110).
- B. State Board Staff finds the proposed project is **not** in conformance with the provisions of 77 ILAC 1120 (Part 1120).

III. General Information

Trinity Health Corporation, an Indiana nonprofit corporation headquartered in Livonia, Michigan, and its subsidiaries, controls one of the largest health care systems in the United States. The Corporation is sponsored by Catholic Health Ministries, a Public Juridic Person of the Holy Roman Catholic Church. The Corporation operates a comprehensive integrated network of health services, including inpatient and outpatient services, physician services,

managed care coverage, home health care, long-term care, assisted living care and rehabilitation services located in 22 states. The operations are organized into Regional Health Ministries, National Health Ministries and Mission Health Ministries ("Health Ministries").

Loyola University Medical Center, an Illinois not-for-profit corporation, is a fully licensed, Medicare-certified, Joint Commission accredited, Illinois not-for-profit general acute care hospital. Loyola University Health System d/b/a Loyola Medicine, an Illinois not-for-profit corporation, is the sole corporate member of Loyola University Medical Center. Loyola Medicine is also the sole corporate member of the following licensed healthcare facilities in Illinois:

1. LUMC Outpatient Dialysis Center, a provider based, end stage renal disease facility located in Maywood, Illinois.
2. LUMC Ambulatory Surgery Center, a provider based, ambulatory surgery center located in Maywood, Illinois.
3. Gottlieb Memorial Hospital, a general acute care hospital located in Melrose Park, Illinois; and
4. Gottlieb Community Health Services d/b/a MacNeal Hospital, a general acute care hospital located in Berwyn, Illinois).

Financial commitment will occur after permit approval. This project is subject to a Part 1110 and Part 1120 review.

IV. Health Planning Area

The proposed medical office building will be in the HSA VII Service Area. HSA VII includes Suburban Cook and DuPage Counties. The Geographical service area ("GSA") for this project is 10-miles. There are approximately 678,300 residents in this 10-mile GSA. There are five hospitals within 10-miles of the proposed medical office building.

TABLE ONE			
Hospitals within 10-miles of the Proposed MOB			
Facility	City	Beds	Miles
Palos Community Hospital	Palos Heights	425	9
Franciscan Health-Olympia Fields	Olympia Fields	214	9.3
Loyola University Medical Center	Maywood	547	9.3
Advocate South Suburban Hospital	Hazel Crest	233	10
Silver Cross Hospital and Medical Centers	New Lenox	348	10

V. Project Uses and Sources of Funds

The Applicants are funding this project with cash in the amount of \$69,217,592.

TABLE TWO				
Project Costs and Sources of Funds				
	Reviewable	Non-Reviewable	Total	% of Total
Preplanning Costs	\$6,599	\$18,401	\$25,000	0.04%
Site Survey and Soil Investigation	\$16,630	\$46,370	\$63,000	0.09%
Site Preparation	\$1,090,992	\$3,042,031	\$4,133,023	5.97%
Off Site Work	\$131,985	\$368,015	\$500,000	0.72%
New Construction Contracts	\$8,769,754	\$24,452,843	\$33,222,597	48.00%
Contingencies	\$876,975	\$2,445,285	\$3,322,260	4.80%
Architectural/Engineering Fees	\$844,703	\$2,355,297	\$3,200,000	4.62%
Consulting and Other Fees	\$160,041	\$446,246	\$606,287	0.88%
Movable or Other Equipment	\$17,774,957	\$3,149,700	\$20,924,657	30.23%
Imputed Interest Expense During Construction ⁽¹⁾	\$372,792	\$1,039,461	\$1,412,253	2.04%
Other Costs to Be Capitalized	\$477,393	\$1,331,122	\$1,808,515	2.61%
Total Use of Funds	\$30,522,821	\$38,694,771	\$69,217,592	100.00%
Source of Funds	Reviewable	Non-Reviewable	Total	
Cash and Securities	\$30,522,821	\$38,694,771	\$69,217,592	
Total Source of Funds	\$30,522,821	\$38,694,771	\$69,217,592	
<p>1. The Applicants are using cash to fund this Project. The Applicants state this line item reflects the imputed amount of interest associated with the carrying costs incurred by Loyola Medicine during the construction phase of the Project, which is a function of how the Trinity shared services arrangement for cash management works between Trinity and its member health systems and hospitals. It is effectively a cost accounting entry between Trinity and Loyola Medicine. Nevertheless, the Applicants have included this line entry for full transparency.</p>				

VI. Background of the Applicants, Purpose of the Project, Safety Net Impact Statement, Alternatives to the Proposed Project

A) Criterion 1110.110 (a) - Background of the Applicants

The Applicants have attested that there has been no adverse action¹ taken against any of the facilities owned or operated by the Applicants and have authorized the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health to have

¹ "Adverse Action" means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations. As defined in Section 1-129 of the Nursing Home Care Act [210 ILCS 45], "Type 'A' violation" means a violation of the Nursing Home Care Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility presenting a substantial probability that risk of death or serious mental or physical harm to a resident will result therefrom or has resulted in actual physical or mental harm to a resident. As defined in Section 1-128.5 of the Nursing Home Care Act, a "Type AA violation" means a violation of the Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility that proximately caused a resident's death. [210 ILCS 45/1-129]

access to any documents necessary to verify information submitted in connection to the Applicants' certificate of need. Certificates of Good Standing have been provided for the Applicants and the Applicants are in compliance with the reporting requirements of the State Board.

Applicants Note the Following:

On October 28, 2020, Loyola University Medical Center received a Statement of Deficiencies, Form CMS-2567 and notice of immediate threat from the Centers for Medicare & Medicaid Services ("CMS"), which was generated because of a site survey of Loyola University Medical Center Outpatient Renal Dialysis Center conducted on October 22, 2020 by the Illinois Department of Public Health. Loyola University Medical Center took immediate action to correct the Statement of Deficiencies identified by submitting a Plan of Correction and undergoing a subsequent comprehensive full site survey. On November 16, 2020 the Agency notified Loyola University Medical Center that it accepted Loyola's Plan of Correction and determined the Center to be in compliance with federal requirements that were reviewed. On November 17, 2020, LUMC received the corresponding closure notice from CMS.

Trinity is also the sole corporate member of Mercy Care Center, an Illinois not-for-profit corporation. Trinity and Mercy Care Center are currently constructing an ambulatory and diagnostic care center at 3753 South Cottage Grove Avenue, Chicago, Illinois 60653. The Mercy Care Center project is currently scheduled to be completed on or about December 31, 2021. The details of that project are described in Project No. 20-042 (which is available on the Review Board's website). Project No. 20-042 was subsequently withdrawn by agreement on June 11, 2021. The Mercy Care Center will not be licensed by the State of Illinois because it will only offer outpatient services

B) Criterion 1110.110 (b) - Purpose of the Project

The purpose of this project is to maintain Loyola Medicine's presence in the southwestern suburbs and to continue to care for a large patient base in that service area. In 2015, Loyola Medicine began a series of collaborations with Palos Health on the expanded development of the Palos Health South Campus. Currently Loyola Medicine leases approximately 21,500 square feet of space on the Palos Health South Campus. On January 1, 2021, Northwestern Medicine became the sole member of Palos Health [E-051-20 – Change of Ownership - Palos Health System]. According to the Applicants Loyola Medicine and Northwestern Medicine have agreed to terminate Loyola Medicine's remaining lease at the Palos Health South Campus effective as of April 1, 2022 and terminate the various clinical affiliation agreements between Loyola Medicine and Palos Health. Also, the Applicants state upon project completion Loyola Medicine - Orland Park will be closed and services at that site will be moved to the Tinley Park location. The Applicants state the new Tinley Park facility will also provide access to care to current Loyola Medicine patients that reside in the service area (but receive care at other Loyola Medicine sites located outside the service area).

There are approximately 678,300 residents in the 10-mile GSA. The Tinley Park location is approximately 7 miles from the Palos Health South Campus location. According to the Applicants over the past five years, Loyola Medicine visit volumes at the Palos Health South Campus have increased by almost 40%. The Applicants state between the Palos Health South

Campus and the Loyola Medicine-Orland Park **site**, care has been delivered by approximately 50 employed Loyola Medicine physicians and advanced practice providers [See end of report for physicians and specialty].

TABLE THREE			
Population within the 10-mile GSA			
City	Treated at Palos Health South Campus and Orland Park	Other Loyola Locations	Population
Blue Island	0	0	26,263
Crestwood	168	214	13,412
Flossmoor	0	0	9,982
Frankfort	942	476	33,586
Frankfort	0	0	33,586
Harvey	0	0	26,482
Markham	0	0	12,569
Hazel Crest	0	0	15,691
Homewood	0	0	20,363
Lemont	706	1,611	17,023
Lockport	1,242	905	25,307
Matteson	0	0	21,656
Midlothian	278	424	13,208
Romeoville	165	1,306	14,595
Mokena	979	437	26,938
New Lenox	885	530	37,778
Oak Forest	672	572	28,211
Olympia Fields	0	0	4,962
Hickory Hills	275	2 321	13,816
Orland Park	2,042	1,488	41,564
Palos Heights	536	732	14,059
Palos Park	521	593	9,897
Palos Hills	409	2 064	17,939
Park Forest	0	0	22,784
Orland Park	1,627	894	27,512
Posen	0	0	5,901
Richton Park	0	0	13,672
Robbins	0	0	4,652
Tinley Park	1,225	828	38,842
Country Club Hills	0	0	17,604
Willow Springs	63	874	5,604
Worth	163	683	11,315
Tinley Park	968	521	27,691
Homer Glen	1,750	883	23,905
Total	15,616	12,484	678,369

C) Criterion 1110.110 (c) – Safety Net Impact Statement

This is considered a non-substantive project and a safety net statement is not required.

D) Criterion 1110.110 (d) – Alternatives to the Proposed Project

The Applicants considered leasing space in vacant medical office spaces within the area to relocate services from the Palos Health South Campus. According to the Applicants they were unable to find vacant medical office space of sufficient size with the ability to accommodate current services currently being provided at Palos Health South Campus and this option was rejected. No capital costs were submitted because of the lack of suitable space in the service area.

The **second option** was to build on existing Loyola Medicine Property. According to the Applicants this option was selected as the least disruptive alternative that would allow for continuity of care for the existing Loyola Medicine patients being served in the market. In addition, since Loyola Medicine already owned most of the land for the proposed project, the health system was able to eliminate additional capital spend that would be required for acquiring and building on new land.

VII. Size of the Project, Projected Utilization

A) Criterion 1110.120 (a) - Size of the Project

As can be seen in the Table below the Applicants have met the size standards of the State Board. While physician office space and exam rooms are considered clinical the State Board does not have standard for that space.

TABLE FOUR Size of the Project				
Cancer Center	Units/Rooms	Proposed GSF	State Standard	Met Standard
Linear Accelerator	1	917	2,400	Yes
CT Simulator	1	746	1,800	Yes
Imaging Center				
MRI	1	918	1,800	Yes
CT	1	990	1,800	Yes
X-Ray	1	358	1,300	Yes
Ultrasound	1	252	900	Yes
Mammography	1	136	900	Yes
Immediate Care Center				
Exam Rooms	6	3,275	4,800	Yes

B) Criterion 1110.120 (b) – Projected Utilization²

² All Diagnostic and Treatment utilization numbers are the **minimums per unit for establishing more than one unit**, except were noted in 77 Ill. Adm. Code 1100.

As can be seen in the Table below the Applicants have met the utilization standards of the State Board. The methodology to develop these projections are at the end of this report.

TABLE FIVE Projected Utilization					
	Units/Rooms	State Board Standard	Year 1	Year 2	Met Standard
Linear Accelerator	1	7,500 Treatments	4,020	4,600	Yes
Imaging Center					
MRI	1	2,500 procedures	1,417	1,591	Yes
CT	1	7,000 visits	1,878	7,000	Yes
X-Rays	1	6,500 procedures	6,027	6,810	Yes
Ultrasound	1	3,100 visits	2,460	2,762	Yes
Mammography	1	5,000 visits	2,763	3,100	Yes
Immediate Care Center					
Exam Rooms	6	2,000 visits per room	5,915	10,228	Yes

VIII. Clinical Services other than Categories of Service

A) Criterion 1110.270 (b) - Need Determination – Establishment

- 1) Service to Area Population
- 2) Service Demand
- 3) Impact of the Proposed Project on Other Area Providers
- 4) Utilization

According to the Applicants the proposed facility will provide a location of care for many of the existing 15,600 patients being treated at the Loyola Medicine sites in the area today (including patients being treated by Loyola Medicine employed physicians and providers at the Palos Health South Campus and the Loyola Medicine-Orland Park site when re-opened.) The Applicants stated another 18,400 Loyola Medicine patients that live in this southwest suburban market and have to travel to receive care at other Loyola Medicine sites in more distant markets, will have the ability to get care closer to home

Per the Applicants the impact on other providers in the service area could not be determined because outpatient imaging, immediate care, and cancer care are not tracked across all the providers in the service area³. The Applicants could not determine whether the Project will lower the utilization of other area providers. The Applicants believe that the patients at the Tinley Park Care Center are currently being treated by Loyola Medicine employed physicians - so no providers should be impacted by this Project.

³ The State Board does not collect information on services provided at medical office buildings. While hospitals report outpatient imaging services and cancer care in total there are not breakout by address for these services.

IX. Financial Viability and Economic Feasibility

A) Criterion 1120.120 – Availability of Funds

B) Criterion 1120.130 – Financial Viability

C) Criterion 1120.140 (a) – Reasonableness of Financing Arrangements

D) Criterion 1120.140 (b) – Terms of Debt Financing

The project will be funded with cash in the amount of \$69,217,592. The Applicants qualified for the financial viability waiver as Trinity Health has an “A” or better bond rating. The project is being funded with cash and no debt is being used to finance this project.

TABLE SIX Audited Financial Information Trinity Health and Loyola University Health System				
	Trinity Health June 30 th (in thousands)		Loyola University Health System June 30 th (in thousands)	
	2021	2020	2021	2020
Cash	\$781,989	\$2,191,598	\$518,846	\$439,714
Current Assets	\$12,257,627	\$11,830,657	\$908,464	\$797,724
Total Assets	\$33,621,747	\$30,457,076	\$1,958,125	\$1,825,024
Current Liabilities	\$5,737,583	\$7,127,199	\$524,078	\$547,664
LTD	\$6,807,484	\$7,008,053	\$778,458	\$803,144
Total Liabilities	\$15,113,482	\$16,926,328	\$1,406,603	\$1,470,336
Net Assets	\$18,508,265	\$13,530,748	\$489,361	\$291,407
Net Patient Revenue	\$16,734,960	\$15,454,773	\$1,723,645	\$1,572,987
Total Revenue	\$20,163,653	\$18,833,027	\$1,980,293	\$1,943,879
Total Expenses	\$19,317,894	\$18,758,309	\$1,845,628	\$1,833,353
Operating Income	\$657,575	-\$344,662	\$134,665	\$82,919
Non-Operating	\$3,270,183	\$310,116	\$64,172	\$9,000
Revenue in Excess of Expenses	\$3,851,974	-\$75,459	\$198,837	\$91,919

E) Criterion 1120.140 (c) – Reasonableness of Project Costs

Preplanning Costs are \$6,599 or less than 1% new construction, contingencies, and movable equipment of \$27,421,686. This appears reasonable when compared to the State Board Standard of 1.8% of new construction, contingencies, and movable equipment or \$493,590.

Site Survey, Soil Investigation and Site Preparation total \$1,107,622 or 11.48% of new construction and contingency cost of \$9,646,729. This is HIGH when compared to the State Board Standard of 5% or \$482,336. The Applicants exceed the State Board Standard by \$625,286.

New Construction and Contingencies are \$9,646,729 or \$508 per GSF. This appears HIGH when compared to the State Board Standard of \$259.88 per GSF. The Applicants exceed the State Board Standard by \$4,714,280.

Contingencies are \$876,975 or 10% of new construction of \$8,769,754. This is reasonable when compared to the State Board Standard of 10%.

Architectural/Engineering Fees total \$844,703 and are 8.76% of new construction and contingencies of \$9,646,729. This appears HIGH when compared to the State Board standard of 6.34% or \$611,603. The Applicants exceed the State Board Standard by \$233,100.

The State Board does not have standards for the items listed below

Off Site Work	
Consulting and Other Fees	\$160,041
Movable or Other Equipment	\$17,774,957
Imputed Interest Expense During Construction	\$372,792
Other Costs to Be Capitalized	\$477,393

Applicants provided the following explanation for the overages identified above:

“The Construction Contracts and Contingency exceeds the applicable State Norm because: (a) the applicable State Norm applies to traditional medical office space; and (b) the Tinley Park Care Center is not traditional medical office space and is more accurately described as a medical clinic. More specifically, the Tinley Park Care Center includes a Cancer Center and an Imaging Center, which will require lead walls and additional structural support for the equipment located in the Cancer Center and the Imaging Center. It also bears noting that the applicable State Norm is a function of the location of the Tinley Park Care Center. Other zip codes have a far higher State Norm. The architectural and engineering fees exceed the applicable State Norm because of the complexities of the entire building and modalities located inside the building. This is also a green field development spanning across several parcels.”

Criterion 1120.140 (d) -Projected Operating Costs

The Applicants are estimating \$234 per visit/procedure at the medical office building. The State Board does not have a standard for these costs.

Criterion 1120.140 (e) – Effect of the Project on Capital Costs

The Applicants are funding this project with cash, therefore there will be no effect on capitals costs.

Methodology Used for Utilization Projections provided by Applicants

Linear Accelerator

- **Year 1** treatment delivery projections were based on an assumption of 20.7 linac treatments per cancer patient that is on treatment (based on Loyola system-wide historic experience per patient for FY19-21) The expected patients on treatment are a combination of 1) Loyola patient volumes currently being treated at the Palos South Campus (85% of the projection) combined with 2) an additional portion of patients that live in the southwest market service area and are currently treated at LUMC (15% of the projection).
- **Year 2+** increases are based on market forecasts from Truven and Sg2 over our baseline volumes.

Imaging Center

- **Year 1** projections were completed separately by modality and used FY19/20 as a starting point (to account for the impact of the pandemic in FY20/21)
 - Assumed 65% of historic Loyola imaging patients that live in this market and get care elsewhere would be treated at Tinley Park.
 - Assumed we would increase our order "completion" (i.e., imaging studies ordered by Loyola physicians completed at Loyola facilities) by offering imaging in a freestanding office-based setting with lower fees to patients than hospital-based services; we expect to capture 85% of imaging ordered by our providers (current rate is more than 75%)
 - In addition, converted "patient encounters" (as seen on page 93) to 'procedures' based on historic experience– this is approximately 1.3 imaging procedures completed during each patient encounter.
- **Year 2+** increases are based on market forecasts from Truven and Sg2 over our baseline volumes

Immediate Care (Visit Projections):

- **Year 1** projections were built as a percentage of overall physician visits expected at the site using our experience at other Loyola sites with co-located primary/specialty care and immediate care (immediate care visits equivalent to approximately 24% of primary/specialty care visits). Year 1 assumed a ramp up of about 65% of the above percentage, Year 2 reaches about 95%, Year 3+ are at 100% of this rate of 24% IMC to PC/Specialty.

Primary Care	24,038	27,528
Specialty Care	16,735	18,532
Cancer Care	4,663	5,336
Immediate Care	5,915	10,228
Imaging Center	14,338	16,141
Total	65,689	77,765

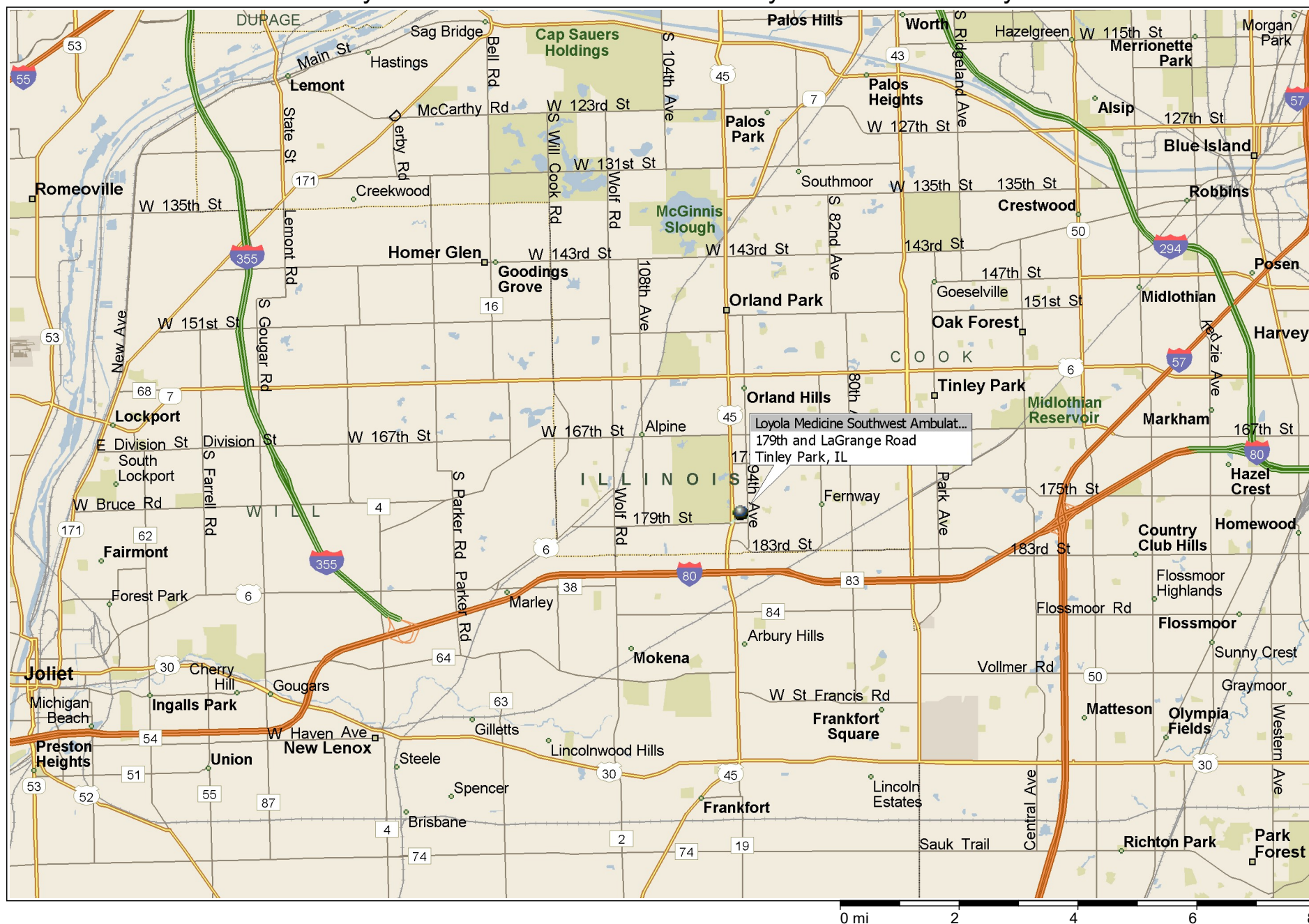
Loyola University Medical Center	2017	2018	2019	2020
Net Revenue	\$1,145,582,319	\$1,130,813,116	\$1,249,236,000	\$1,283,141,745
Amt. of Charity Care	\$30,561,525	\$12,916,804	\$20,548,628	\$29,026,142
Cost of Charity Care	\$8,457,963	\$6,789,656	\$5,596,467	\$7,863,846
% of Charity Care /Net Patient Revenue	0.74%	0.60%	0.45%	0.61%
Gottlieb Memorial Hospital	2017	2018	2019	2020
Net Revenue	\$126,094,287	\$114,399,811	\$127,666,402	\$129,046,842
Amt. of Charity Care	\$5,071,456	\$2,700,521	\$1,840,578	\$4,503,951
Cost of Charity Care	\$1,038,059	\$1,291,050	\$362,619	\$880,231
% of Charity Care /Net Patient Revenue	0.82%	1.13%	0.28%	0.68%
MacNeal Hospital	Own by Tenant	2018	2019	2020
Net Revenue		\$257,712,607	\$320,283,046	\$270,812,608
Amt. of Charity Care		\$7,553,987	\$28,495,214	\$28,962,993
Cost of Charity Care		\$3,408,002	\$3,857,854	\$4,015,996
% of Charity Care /Net Patient Revenue		1.32%	1.20%	1.48%
Loyola Medicine	2017	2018	2019	2020
Net Revenue	\$1,271,676,606	\$1,502,925,534	\$1,697,185,448	\$1,683,001,195
Amt. of Charity Care	\$35,632,981	\$23,171,312	\$50,884,420	\$62,493,086
Cost of Charity Care	\$9,496,022	\$11,488,708	\$9,816,940	\$12,760,073
% of Charity Care /Net Patient Revenue	0.75%	0.76%	0.58%	0.76%

Specialty	Physicians
Audiology	Blank, Candace
Audiology	Dunsmore, Virginia
Audiology	Gutzmer, Stephanie
Bariatrics	Zuro, Lauren
Cardiology	Dajani, Khaled
Cardiology	Heroux, Alain L.
Cardiology	Santucci, Peter A.
Cardiology	Shah, Subir
Endocrinology	Charnogursky, Gerald A.
Endocrinology	Emanuele, Mary Ann
Endocrinology	Lopez, Norma
Gastroenterology	Asamoah, Nikjya
Gastroenterology	Melroy, Samantha
Gastroenterology	Naik, Amar
Gastroenterology	Wakade, Zuie
General Surgery	Anderson, Katherine
General Surgery	Chand, Bipan
Gynecologic Oncology	Liotta, Margaret
Hematology/Oncology	Mai, Hanh
Hematology/Oncology	Micetich, Kenneth C.
Hematology/Oncology	Wang, Siao-Yi
Hepatology	Von Roenn, Natasha
Internal Medicine	Laff, Marianne
Neurology	Thakkar, Jigisha
Neurosurgery	Nielsen, Magan
Neurosurgery	Prabhu, Vikram C.
Obstetrics and Gynecology	McDermott, Nancy
Orthopaedic Surgery	Ghanayem, Alexanderj
Orthopaedic Surgery	Miller, John R.
Orthopaedic Surgery	Salazar, Dane
Otolaryngology	Adichithara, Michelle
Otolaryngology	Hurtuk, Agnes M.
Otolaryngology	Pittman, Amy
Otolaryngology	Zaveri, Rishi
Otolaryngology	Ziegler, Andrea
Pediatric Allergy	Rabbat, Joyce
Pediatric Cardiology	Franklin, Wayne H.
Pediatric Cardiology	Ma, Tehui Marsha
Pediatric Endocrinology	Bansal, Sanja Y.
Pediatrics	Beissel, Terence
Pediatrics	Diamond, Sean
Pediatrics	Nair, Shanti
Physical Medicine and Rehab	Bajaj, Prempreet S.
Physical Medicine and Rehab	Bennis, Stacey
Pulmonary	Bemiss, Bradford
Pulmonary	Dilling, Daniel F.
Sports Medicine	Choi, Haem
Sports Medicine	Federico, Bianca
Surgical Oncology	Abood, Gerard
Urogynecology	Acevedo-Alvarez, Marian

To determine reviewable and nonreviewable space the Applicants excluded the waiting and reception areas from the reviewable space calculations (cancer center, imaging center, immediate care center, pharmacy and blood draw lab).

Cost Space Requirements	
Reviewable	
Cancer Center	8,500
Imaging Center	6,275
Immediate Care	2,425
Pharmacy	975
Blood Draw Lab	825
Total Reviewable	19,000
Non-Reviewable	
Cancer Center	2,130
Imaging Center	175
Immediate Care	850
Physician Offices	49,823
Total Non-Reviewable	52,978
Total	71,978

21-030 Loyola Medicine Southwest Ambulatory Care Center - Tinley Park



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint/>

Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.